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DE RUMJGM #2188 1030410
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P 130330Z APR 82
FM AMEMBASSY COLOMBO
TO SECSTATE WASHDC 4231
BT

C O N F I D E N T I A L

LIMITED OFFICIAL USE COLOMBO 2188

DEPT PASS EC COLLECTIVE

E.O. 12065: N/A

TAGS: ETRD, EAGR, CE, EC

SUBJ: SENATOR PERCY'S MEETING WITH EC AMBASSADORS IN COLOMBO
RE CORN GLUTEN FEED

REF: A) STATE 94667 B) COLOMBO 2134 C) STATE 96407

1. SUMMARY: SENATOR PERCY MET WITH COLOMBO-BASED EC CHEIFS-
OF-MISSION APRIL 12, AND MADE STRONG STATEMENT AGAINST PROPOSED
EC TARIFF QUOTA ON CORN GLUTEN FEED.

2. SENATOR CHARLES PERCY DISCUSSED CORN GLUTEN FEED PROBLEM
APRIL 12 IN COLOMBO, SRI LANKA, WITH AMBASSADORS/CHARGES
FROM FRG, FRANCE, UK, ITALY, AND NETHERLANDS. U.S. AMBASSADOR
REED WAS ALSO IN ATTENDANCE. END SUMMARY.

3. PERCY PREFACED HIS REMARKS WITH A REVIEW OF HIS OWN
HISTORY OF SUPPORT FOR FREE TRADE PRINCIPLES, AND OPPOSITION
TO PROTECTIONISM -- FIRST AT BELL AND HOWELL, LATER IN THE
U.S. SENATE -- AND HIS SUPPORT FOR THE EUROPEAN COMMON MARKET
FROM ITS INCEPTION. HE WARNED, HOWEVER, OF PROTECTIONIST
WAVE NOW SWEEPING U.S., AS EXEMPLIFIED BY DANFORTH BILL IN
THE SENATE, AND PROPOSAL BY SENATOR STEVENS TO WITHDRAW
U.S. TROOPS FROM EUROPE IN RETALIATION AGAINST EUROPEAN
TRADE BARRIERS.

4. TURNING TO CORN GLUTEN FEED, PERCY SAID THAT THE PRO-
POSED TARIFF QUOTA, IN EFFECT FREEZING U.S. CORN GLUTEN
FEED EXPORTS TO THE EC AT CLOSE TO 1981 LEVELS, WOULD HAVE
A DEVASTATING IMPACT IN HIS OWN HOME STATE OF ILLINOIS,
WHERE UNEMPLOYMENT IN SOME CORN-PRODUCING AREAS (E.G.,
DECATUR) IS AS HIGH AS 17 PERCENT. EVEN MORE IMPORTANT,
PROPOSED TARIFF QUOTA WOULD: A) PLAY INTO THE HANDS OF
THAT IN U.S. WHO WOULD LIKE TO PURSUE MORE PROTECTIONIST
POLICIES; B) SET A POOR EXAMPLE FOR JAPAN, WHERE PRO-
TECTIONISTS COULD POINT TO EC ACTION AS JUSTIFICATION
FOR THEIR OWN MEASURES. PROPOSAL OF EC COMMISSION ALL THE
MORE UNWARRANTED, PERCY ADDED, IN VIEW OF THE FACT THAT
ZERO TARIFF ON CORN GLUTEN FEED HAD BEEN A BINDING CON-
CESSION BY THE EC IN THE MULTILATERAL TRADE NEGOTIATIONS.

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5. PERCY INFORMED EC REPS THAT HE HAD SENT CABLES RE THE ABOVE TO EC AMBASSADORS IN WASHINGTON, AND TO EC LEADERS DIRECTLY, BUT THAT FULL STRENGTH OF HIS FEELING ON THE SUBJECT COULD BE CONVEYED ONLY IN PERSON. EC REPS WERE NON-COMMITTAL IN EPLY, BUT INDICATED THEY WOULD PASS THE MESSAGE.

6. ACTION REQUESTED: SENATOR PERCY HAS ASKED THAT A COPY OF THIS MESSAGE BE PASSED TO HIS OFFICE (BILL CANIS).

7. DECONTROL ON RECEIPT.

REED

END OF MESSAGE

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